

# YEAR-END REPORT 2022



## THE FULL YEAR

- Net revenue totalled SEK 3,509 million (3,151)
- Operating profit amounted to SEK 341 million (453)
- Profit before tax amounted to SEK 309 million (433)
- Profit after tax amounted to SEK 249 million (342)
- Earnings per share were SEK 4.30 (5.90)
- Proposed dividend per share SEK 1.75 (1.75)

## Important events during the year

- Extended credit facilities
- 2:1 share split implemented

## THE FOURTH QUARTER

- Net revenue totalled SEK 806 million (883)
- Operating profit amounted to SEK 34 million (114)
- Profit before tax amounted to SEK 19 million (107)
- Profit after tax amounted to SEK 23 million (88)
- Earnings per share were SEK 0.40 (1.51)

## SUMMARY OF THE 2022 FINANCIAL YEAR

Net revenue, SEK m	<b>3,509</b>	(3,151)
Net profit for the period, SEK m	<b>249</b>	(342)
Earnings per share, SEK	<b>4.30</b>	(5.90)
Profit margin, %	<b>8.8</b>	(13.8)

## CEO'S COMMENTS ON THE GROUP'S DEVELOPMENT DURING THE PERIOD

**THE GROUP**

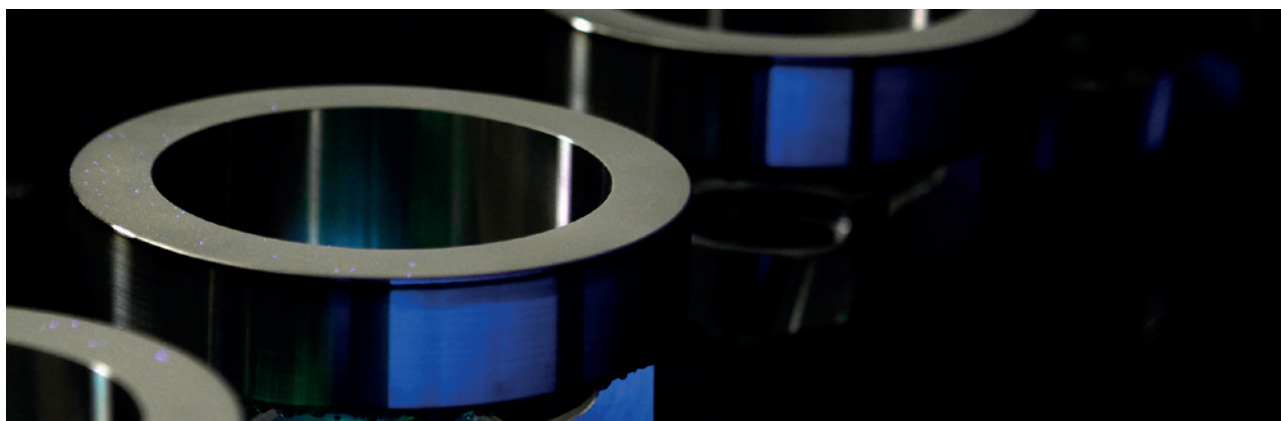
After a generally strong start, most of our operations were increasingly impeded by difficult external factors over the past year. We still exceeded our long-term financial objectives for the year as a whole, but the Group reported a deterioration in operating profit of approximately 25 per cent compared to the previous year. The operating margin was 9.7 per cent (14.4) and the profit margin amounted to 8.8 per cent (13.8). Sales increased by 11 per cent, of which 2 per cent was organic growth.

The end of the year followed the trend from the preceding period and the consolidated results during the fourth quarter were weak. Relative to the comparison period, sales declined by almost 9 per cent, while the operating margin fell from 12.9 to 4.2 per cent. This negative trend mostly affected the majority of the operations in the Industrial Solutions business unit. Here, the relatively weak incoming orders during the second half of the year, along with the effects of delayed project deliveries, had a significant impact during the period. Continued disruptions in both our own and our customers' supply chains meant that many ongoing automation projects were paused and the start-up of new projects was postponed. Within all our business units, however, some operational areas have not been particularly affected by external circumstances, and consequently have seen a more favourable development.

If we look at the Group as a whole, there are two main factors that have affected profitability. The first relates to deteriorations in productivity as a result of constantly having to adapt the production process in line with new preconditions, combined with periodic high sickness absence. The second is that we have not managed to compensate sufficiently for the cost increases we have been affected by. Far-reaching measures are being implemented in the form of cost savings and price rises, as well as to safeguard critical processes in the supply chain. These are being combined with aggressive initiatives in respect of marketing activities, for which resources are continually being allocated.

**THE INDUSTRIAL PRODUCTS BUSINESS UNIT**

Sales increased by 29 per cent compared to the previous year, of which 17 per cent was achieved through acquisitions. Operating profit fell by 10 per cent.



Within the business unit, there were major differences between the companies in terms of outcome, with many of the companies reporting stable profits. One contributory factor is the positive trend as regards the proprietary product ranges within infrastructure and industry. The most significant negative effect was experienced by our businesses that have a high proportion of their production linked to the automotive sector. Here, the shortage of input goods at our customers both reduced order volumes and delayed the placing of orders. Within the automotive segment, it has also been difficult to implement price adjustments, and there is a considerable lag as regards promised compensation. Outside of the automotive segment, the market situation is generally good, and more resources have been allocated to marketing activities including the introduction of our own products on new markets.

#### **THE INDUSTRIAL SOLUTIONS BUSINESS UNIT**

Sales increased by 12 per cent compared to the previous year, of which 8 per cent was achieved through acquisitions. Operating profit fell by 17 per cent.

Successful project sales during the previous year resulted in relatively stable margins during the first nine months of the year. However, the final quarter was impacted to a great extent by the effects of the lower incoming orders and the disruptions in the supply chain experienced during the second half of the year. In practice, this has resulted in both ongoing automation projects and major deals in the start-up phase being postponed. Orders have also not been realised to the anticipated extent, and our organisations that have geared up for growth have had to adjust and gear down. However, we have seen positive results from our investments in new business areas and on new geographic markets. More in-depth collaboration with our customers through extended after-sales services has also opened the door to new opportunities.

#### **THE PRECISION TECHNOLOGY BUSINESS UNIT**

Sales fell by 12 per cent and operating profit decreased by 51 per cent compared to the previous year.

Taking the current global situation in consideration, it was already beforehand looking difficult to match the previous year's strong results, but the business unit's combined performance over the past year was still below our own expectations. Developments during the final quarter followed the trend from previous periods, with a generally more cautious market. Within the medical technology sector, which is the dominant sector for the business unit, customers continually revised their purchase volumes downwards. With the high degree of unpredictability, it has not been possible to utilise the resources satisfactorily, and the lower productivity levels have hit profitability hard. In addition to this, our companies have not been able to compensate for increased costs with corresponding price rises. The organisations have continued to adapt to the lower volumes. At the same time, aggressive initiatives are being implemented on the marketing side in an attempt to seek out new niches and customer segments.

#### **FUTURE DEVELOPMENT**

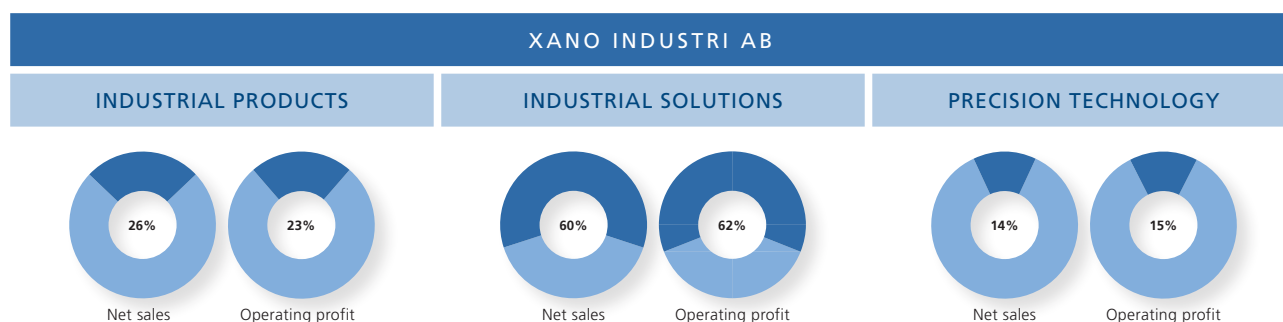
The market situation is expected to remain cautious in the immediate future, although we are witnessing a certain levelling out of the downward trend and a more balanced influx of orders. Raw material prices have stabilised, although general cost increases are continuing to have a dampening effect on our business. During the present quarter, we will be seeing the effects of implemented price adjustments and the gradual adaptation of our workforce to the lower incoming order levels. Cash flow and margins are the focus of our agenda. Our order situation is good, but the shortage of critical components is a concern, particular in respect of our project-related operations. Work aimed at identifying alternative supply routes is therefore being prioritised, alongside investments in after-sales services. Through one of our more recent acquisitions, we have also extended our offering in respect of software solutions, an area where we can see considerable potential for growth. We are consequently maintaining our aggressive approach and have great faith in the future.

When it comes to acquisitions, we have consciously adopted a more cautious approach for a period of time, but, backed by our extended credit facilities, we have good potential to supplement our operations in future.

Lennart Persson  
*President and CEO*

## GROUP OVERVIEW

The XANO Group is made up of engineering companies that offer manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic region, Estonia, the Netherlands, Poland, China and the USA. The operations are divided up into the Industrial Products, Industrial Solutions and Precision Technology business units.



### INDUSTRIAL PRODUCTS

Q1–Q4 2022 vs Q1–Q4 2021: Sales rose by 29 per cent, of which 17 per cent related to business combinations. Operating profit decreased by 10 per cent.

		<b>2022</b>	2021
		Q1–Q4	Q1–Q4
Net sales	SEK m	<b>906</b>	703
Operating profit	SEK m	<b>86</b>	95
– of which non-recurring items		<b>0</b>	1
Operating margin	%	<b>9.5</b>	13.6

*Cipax Nederland (formerly PRM) is included as from 1 November 2021.*

Operations within the Industrial Products business unit comprise the design, manufacture and sale of plastic components and systems produced by means of rotational moulding, injection moulding and blow moulding. Deliverables include both customer-specific and proprietary products.

### INDUSTRIAL SOLUTIONS

Q1–Q4 2022 vs Q1–Q4 2021: Sales rose by 12 per cent, of which 8 per cent related to business combinations. Operating profit decreased by 17 per cent.

		<b>2022</b>	2021
		Q1–Q4	Q1–Q4
Net sales	SEK m	<b>2,119</b>	1,898
Operating profit	SEK m	<b>235</b>	282
– of which non-recurring items		<b>0</b>	4
Operating margin	%	<b>11.1</b>	14.8

*CPS and CIM are included as from 31 May 2021.*

Companies within the Industrial Solutions business unit supply in-house developed automation solutions, such as packaging machines, accumulators and conveyor systems, to the packaging and food industries. Operations also comprise industrial end-to-end production software solutions as well as contract assignments for advanced industrial products in small and medium-sized production runs.

### PRECISION TECHNOLOGY

Q1–Q4 2022 vs Q1–Q4 2021: Sales fell by 12 per cent and operating profit decreased by 51 per cent.

		<b>2022</b>	2021
		Q1–Q4	Q1–Q4
Net sales	SEK m	<b>486</b>	552
Operating profit	SEK m	<b>56</b>	115
– of which non-recurring items		<b>0</b>	3
Operating margin	%	<b>11.5</b>	20.9

Operations within the Precision Technology business unit cover component and system manufacture using advanced cutting processes, laser welding and 3D printing for the production of parts involving demanding quality and precision requirements.

## FINANCIAL DISCLOSURES AND OTHER INFORMATION

### GENERAL INFORMATION

All amounts are reported in millions of Swedish kronor and relate to the Group, unless otherwise indicated. Amounts in brackets refer to the corresponding period last year.

### REVENUE AND PROFIT

#### *The fourth quarter*

Net revenue totalled SEK 806 million (883). Operating profit amounted to SEK 34 million (114), corresponding to an operating margin of 4.2 per cent (12.9). Profit before tax was SEK 19 million (107).

#### *The full year*

Net revenue totalled SEK 3,509 million (3,151). Operating profit amounted to SEK 341 million (453), corresponding to an operating margin of 9.7 per cent (14.4). Profit before tax was SEK 309 million (433). Profit includes non-recurring items totalling SEK 1 million (8), see also Note 2.

### SHARE DATA AND KEY FIGURES

#### *The full year*

Basic earnings per share were SEK 4.30 (5.90). Equity per share was SEK 26.39 (23.13). The average number of outstanding shares was 57,985,082. The equity/assets ratio was 42 per cent (38) at year-end. The average number of employees was 1,426 (1,245).

### IMPORTANT EVENTS DURING THE PERIOD

The Coronavirus pandemic has continued to have only limited negative consequences for the Group. However, higher levels of sickness absence and disruptions in the supply of materials have affected the delivery capacity to a greater extent than before.

As regards the conflict in Ukraine, XANO does not conduct any operations either there or in Russia. The few projects related to customers in the area in question that was ongoing, have been terminated. As a consequence of the conflict, however, already difficult external factors such as price increases and the lack of access to input goods are being accentuated, which is affecting the Group's companies to varying degrees.

The Group's total credit facilities have been expanded, through new agreements, by the equivalent of SEK 820 million to a total of around SEK 2,200 million. As a result, the financing of XANO's continued growth and acquisition-related work has been secured. A new agreement was entered into with Nordea Bank on 3 June 2022 regarding a credit facility of SEK 1,700 million, which is an increase of SEK 320 million from the previous level. This agreement will run for three years, with the option of extending for a

further one plus one years. A credit agreement was also entered into with the Swedish Export Credit Corporation in June regarding a new facility of around SEK 500 million with a corresponding duration.

Following a resolution at the Annual General Meeting, a 2:1 split of the Parent Company's shares was implemented in June.

### EVENTS AFTER THE END OF THE PERIOD

There are no individual events of major significance to report after the closing day.

### INVESTMENTS

#### *The fourth quarter*

Net investments in non-current assets came to SEK 47 million (119), of which SEK 2 million related to intangible assets, SEK 19 million to real estate, SEK 21 million to machinery and equipment and SEK 5 million to right-of-use assets.

#### *The full year*

Net investments in non-current assets came to SEK 144 million (598), of which SEK 4 million related to intangible assets, SEK 45 million to real estate, SEK 90 million to machinery and equipment and SEK 5 million to right-of-use assets.

### CASH FLOW AND LIQUIDITY

#### *The full year*

Cash flow from operating activities amounted to SEK 128 million (353). Higher operating capital, primarily in the form of increased contract assets and reduced advance payments, along with a lower profit level, have contributed to the weaker cash flow in relation to the comparison period.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 1,363 million (740) on the closing day.

### NUMBER OF SHARES AND VOTES

At the Annual General Meeting on 12 May 2022, it was decided to increase the number of shares by splitting each existing share into two new shares of the same type (2:1 split). The split was carried out and registered in June, with 15 June as the record date.

After the share split, the total number of shares stands at 58,494,214, divided between 14,577,600 class A shares and 43,916,614 class B shares, with a nominal value of SEK 0.625. Each class A share entitles ten votes and each class B share entitles one vote. The total number of votes amounts to 189,692,614. The company holds 509,132 of its own class B shares. The share capital remains unchanged at SEK 36,558,884.

### RISKS AND UNCERTAINTY FACTORS

The Group's main risks and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

The Group's operations span many different sectors and customer segments, which generally entails a good spreading of risk. We also enjoy a high level of preparedness to make adjustments. The ongoing Coronavirus pandemic is a risk and uncertainty factor that could have significant consequences for the Group's operations. The health and safety of our employees is our top priority, and we are complying with the guidelines and recommendations issued by the public authorities in the countries where we operate. This may in itself entail restrictions to our ability to carry out installations and maintain services for our customers. At the same time, the extent of our customers' need for products and services may be significantly reduced. There are also risks associated with e.g. material supplies and the purchase of services and transports, which have increased as a result of the ongoing conflict in Ukraine. The sanctions that are being introduced against Russia as a result of the invasion, as well as any countermeasures, may affect parts of our operation, for example in the form of a lack of access to energy. The willingness to invest on the part of some of the Group's major customers is also closely linked to the development of the global economy.

A statement on the Group's other main financial and operational risks can be found on pages 83–84 of the annual report for 2021.

### RELATED PARTY TRANSACTIONS

During the year, no transactions have been conducted between XANO and related parties that have significantly affected the Group's financial performance and position.

### PROPOSED DIVIDEND

The Board of Directors proposes that the Annual General Meeting allocates a dividend of SEK 1.75 (1.75) per share, totalling SEK 101.5 million (101.5) based on the current number of outstanding shares. The dividend amount per share in respect of the previous year has been recalculated as a result of the implemented share split. It is proposed that the dividend be paid in two instalments, SEK 1.00 in May and SEK 0.75 in November.

The proposed dividend represents approx. 41 per cent (30) of net profit for the period.

### AUTHORISATION FOR REPURCHASE OF OWN SHARES

The Board of Directors proposes that the Annual General Meeting renew the Board's authorisation to decide on the repurchase of the company's own shares. Such a mandate would authorise the Board to make decisions regarding the repurchase of the company's shares during the period until the next Annual General Meeting.

Any such repurchase could be effected both via the stock market and by offers to the shareholders. The proposal is that the mandate to the Board should also include the scope for assigning repurchased shares within the constraints of relevant legislation.

### AUTHORISATION FOR A NEW SHARE ISSUE

The Board of Directors proposes that the Annual General Meeting renew the Board's authorisation to decide on a new issue of Class B shares corresponding to a maximum of one tenth of the company's issued shares. Such a mandate would entail the Board being able to make a decision on a new share issue during the period until the next Annual General Meeting.

The terms of the issue, including the issue price, must be based on a market assessment in which the issue price in each case is set as close to the market value as possible, less the discount which may be necessary to generate interest in the subscription.

**ANNUAL GENERAL MEETING 2023**

The upcoming AGM will take place in Jönköping on Thursday 11 May 2023.

At the AGM on 12 May 2022, a Nomination Committee consisting of Ulf Hedlundh (Chairman), Stig-Olof Simonsson and Anna Benjamin was appointed. The task of this committee prior to the 2023 AGM is to nominate a Chairman of the Board and other Board members, auditors, a Chairman for the AGM and to propose fees for the Board and auditors. Shareholders wishing to have an issue dealt with at the AGM must have submitted such a request in writing to the company no later than 23 March 2023 in order for the issue to be included in the notice. The request must be sent to the company at the address: XANO Industri AB, Att.

AGM 2023, Industrigatan 14 B, SE-553 02 Jönköping, or by email to [ir@xano.se](mailto:ir@xano.se) with "AGM 2023" as the subject.

The annual report for 2022 (in Swedish) will be available in week 15, as a printed version from the head office and in digital format on the website [www.xano.se](http://www.xano.se). The annual report is distributed to those shareholders who have actively notified the company that they wish to receive a copy.

**NEXT REPORT DATE**

The interim report for the period 1 January to 31 March 2023 will be presented on Tuesday 2 May 2023. It was previously announced that the report would be presented on 4 May.

The undersigned declare that the year-end report provides an accurate summary of the Parent Company's and the Group's activities, position and results. It also describes significant risks and uncertainty factors faced by the Parent Company and the companies that form the Group.

Jönköping, 9 February 2023

Fredrik Rapp  
*Chair of the Board*

Anna Benjamin  
*Vice Chair of the Board*

Petter Fägersten  
*Board member*

Eva-Lotta Kraft  
*Board member*

Per Rodert  
*Board member*

Jennie Hammer Viskari  
*Board member*

Pontus Cornelius  
*Board member*

Lennart Persson  
*CEO*

*This report has not been reviewed by the company's auditor.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2022	2021	2022	2021
(SUMMARY, SEK million)		3 mths	3 mths	12 mths	12 mths
	Note	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	3	806	883	3,509	3,151
Cost of goods sold		-667	-673	-2,764	-2,375
<b>Gross profit</b>		<b>139</b>	<b>210</b>	<b>745</b>	<b>776</b>
Selling expenses		-63	-61	-258	-209
Administrative expenses		-40	-39	-153	-127
Other operating income	2	3	9	26	26
Other operating expenses		-5	-5	-19	-13
Profit from participations in associated companies		0	0	0	0
<b>Operating profit</b>		<b>34</b>	<b>114</b>	<b>341</b>	<b>453</b>
Financial income		0	4	30	12
Financial expenses		-15	-11	-62	-32
<b>Profit before tax</b>	3	<b>19</b>	<b>107</b>	<b>309</b>	<b>433</b>
Tax	4	4	-19	-60	-91
<b>Net profit for the period</b>	9	<b>23</b>	<b>88</b>	<b>249</b>	<b>342</b>
<i>– of which attributable to shareholders of the Parent Company</i>		23	88	249	342
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may be reclassified to net profit for the period</i>					
Change in hedging reserve including tax	5	6	1	20	1
Translation differences	5	-1	6	21	19
<b>Other comprehensive income</b>		<b>5</b>	<b>7</b>	<b>41</b>	<b>20</b>
<b>Comprehensive income for the period</b>		<b>28</b>	<b>95</b>	<b>290</b>	<b>362</b>
<i>– of which attributable to shareholders of the Parent Company</i>		28	95	290	362
Basic earnings per share, SEK	6	0.40	1.51	4.30	5.90
Diluted earnings per share, SEK	6	0.40	1.49	4.27	5.84

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		2022	2021
(SUMMARY, SEK million)		31 Dec	31 Dec
	Note		
<b>ASSETS</b>			
Goodwill		968	963
Other intangible non-current assets		66	74
Property, plant and equipment		717	639
Right-of-use assets		126	151
Other non-current assets		5	6
<b>Total non-current assets</b>		<b>1,882</b>	<b>1,833</b>
Inventories		565	476
Current receivables	7	981	840
Cash and cash equivalents		178	346
<b>Total current assets</b>		<b>1,724</b>	<b>1,662</b>
<b>TOTAL ASSETS</b>		<b>3,606</b>	<b>3,495</b>
<b>EQUITY AND LIABILITIES</b>			
Equity		1,530	1,341
Non-current liabilities		1,126	847
Current liabilities	8	950	1,307
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,606</b>	<b>3,495</b>



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2022 31 Dec	2021 31 Dec
Opening balance	1,341	1,051
Net profit for the period	249	342
Other comprehensive income	41	20
<b>Comprehensive income for the period</b>	<b>290</b>	<b>362</b>
Cash dividends paid	-101	-72
<b>Total transactions with shareholders</b>	<b>-101</b>	<b>-72</b>
<b>Closing balance</b>	<b>1,530</b>	<b>1,341</b>
<i>– of which attributable to shareholders of the Parent Company</i>	<i>1,530</i>	<i>1,341</i>

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2022 12 mths Jan-Dec	2021 12 mths Jan-Dec
Operating profit		341	453
Interest and income tax paid/received and adjustments for non-cash items		-6	19
Change in working capital		-207	-119
<b>Cash flow from operating activities</b>		<b>128</b>	<b>353</b>
Investments			
Acquisitions of subsidiaries	9	–	-467
Other		-140	-91
<b>Cash flow after investments</b>		<b>-12</b>	<b>-205</b>
Cash dividends paid		-101	-72
Cash flow from other financing activities		-69	252
<b>Cash flow for the period</b>		<b>-182</b>	<b>-25</b>
Cash and cash equivalents at the start of the period		346	367
Exchange rate differences in cash and cash equivalents		14	4
<b>Cash and cash equivalents at the end of the period</b>		<b>178</b>	<b>346</b>

## NOTES, GROUP

### ■ NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Group and the Parent Company apply the same accounting policies as described in the annual report for 2021 with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2022. The critical assessments and the sources of estimates when preparing this interim report are the same as in the most recent annual report.

### ■ NOTE 2 OTHER OPERATING INCOME

The amounts reported for the full year include non-recurring items of SEK 1 million (8) in respect of the payment of funds for collective AGS insurance via Fora. This payment is based on previous repayments of AGS premiums for the period 2004-2008.

### ■ NOTE 3

#### NET REVENUE AND PROFIT/LOSS BEFORE TAX

Net revenue refers to revenue from contracts with customers. The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Products, Industrial Solutions and Precision Technology. The operations within each segment are described on page 4. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

NET REVENUE AND BREAKDOWN OF INCOME BY SEGMENT (SEK million)	2022 3 mths Oct-Dec	2021 3 mths Oct-Dec	2022 12 mths Jan-Dec	2021 12 mths Jan-Dec
<b>INDUSTRIAL PRODUCTS</b>	<b>206</b>	<b>198</b>	<b>906</b>	<b>703</b>
Breakdown by geographic market <sup>1)</sup>				
Sweden	60	63	250	231
Rest of the Nordic countries	37	37	187	164
Rest of Europe	106	97	462	302
Rest of the world	3	1	7	6
Breakdown by type of product				
Proprietary products	48	52	247	230
Customer-specific manufacturing	158	146	659	473
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	206	198	906	703
<b>INDUSTRIAL SOLUTIONS</b>	<b>490</b>	<b>537</b>	<b>2,119</b>	<b>1,898</b>
Breakdown by geographic market <sup>1)</sup>				
Sweden	106	98	400	353
Rest of the Nordic countries	30	45	135	136
Rest of Europe	241	232	1,050	780
Rest of the world	113	162	534	629
Breakdown by type of product				
Proprietary products	348	440	1,463	1,363
Customer-specific manufacturing	142	97	656	535
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	159	177	704	673
Services transferred over time	31	18	79	50
Projects transferred over time	300	342	1,336	1,175
<b>PRECISION TECHNOLOGY</b>	<b>111</b>	<b>149</b>	<b>486</b>	<b>552</b>
Breakdown by geographic market <sup>1)</sup>				
Sweden	95	120	395	435
Rest of the Nordic countries	1	1	5	4
Rest of Europe	10	12	53	50
Rest of the world	5	16	33	63
Breakdown by type of product				
Proprietary products	1	2	2	4
Customer-specific manufacturing	110	147	484	548
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	111	149	486	552
<b>GROUP TOTAL</b>	<b>806</b>	<b>883</b>	<b>3,509</b>	<b>3,151</b>
Breakdown by geographic market <sup>1)</sup>				
Sweden	260	280	1,043	1,017
Rest of the Nordic countries	68	83	327	304
Rest of Europe	357	341	1,565	1,132
Rest of the world	121	179	574	698
Breakdown by type of product				
Proprietary products	397	494	1,712	1,597
Customer-specific manufacturing	409	389	1,797	1,554
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	475	523	2,094	1,926
Services transferred over time	31	18	79	50
Projects transferred over time	300	342	1,336	1,175

<sup>1)</sup> Revenue by geographic market refers to revenue from customers according to where the customers are located.

NET REVENUE BY SEGMENT	2022	2021	2022	2021
(SEK million)	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Industrial Products	206	198	906	703
Industrial Solutions	490	537	2,119	1,898
Precision Technology	111	149	486	552
Eliminations	-1	-1	-2	-2
<b>Group total</b>	<b>806</b>	<b>883</b>	<b>3,509</b>	<b>3,151</b>

PROFIT/LOSS BEFORE TAX BY SEGMENT <sup>1)</sup>	2022	2021	2022	2021
(SEK million)	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Industrial Products	6	18	75	90
Industrial Solutions	19	76	207	274
Precision Technology	0	25	51	111
Undistributed items	-6	-12	-24	-42
<b>Group total</b>	<b>19</b>	<b>107</b>	<b>309</b>	<b>433</b>

<sup>1)</sup> The segment figures refer to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

#### ■ NOTE 4 TAX

Tax amounts to 19 per cent (21) for the full year. Non-taxable items, primarily attributable to currency hedging, are contributing to the deviating tax rate.

#### ■ NOTE 5 OTHER COMPREHENSIVE INCOME

Change in hedging reserve including tax refers to the effective component of the change in value of derivative instruments used for hedge accounting. Translation differences refer to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

#### ■ NOTE 6 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE	2022	2021	2022	2021
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Net profit for the period, SEK million	23.2	87.6	249.1	342.1
Average number of outstanding shares, thousands <sup>1)</sup>	57,985	57,985	57,985	57,985
<b>Basic earnings per share, SEK <sup>1)</sup></b>	<b>0.40</b>	<b>1.51</b>	<b>4.30</b>	<b>5.90</b>

DILUTED EARNINGS PER SHARE	2022 3 mths Oct-Dec	2021 3 mths Oct-Dec	2022 12 mths Jan-Dec	2021 12 mths Jan-Dec
Net profit for the period, SEK million	23.2	87.6	249.1	342.1
Interest expense on convertible bonds, SEK million <sup>2)</sup>	1.0	0.8	3.6	3.3
Issue expenses for convertible bonds, SEK million	0.1	0.1	0.2	0.2
<b>Adjusted income, SEK million</b>	<b>24.3</b>	<b>88.5</b>	<b>252.9</b>	<b>345.6</b>
Average number of outstanding shares, thousands <sup>1)</sup>	57,985	57,985	57,985	57,985
Adjustment for presumed conversion of convertible bonds, thousands <sup>1)</sup>	1,148	1,148	1,148	1,148
<b>Average number of outstanding shares after dilution, thousands <sup>1)</sup></b>	<b>59,133</b>	<b>59,133</b>	<b>59,133</b>	<b>59,133</b>
<b>Diluted earnings per share, SEK <sup>1)</sup></b>	<b>0.40</b>	<b>1.49</b>	<b>4.27</b>	<b>5.84</b>

<sup>1)</sup> All comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

<sup>2)</sup> Constitutes current interest for convertible loan adjusted to market interest rate.

A 2:1 share split was carried out in June 2022. After the share split, the total number of shares stands at 58,494,214, divided between 14,577,600 Class A shares and 43,916,614 Class B shares. After deduction for the company's own holding, 509,132 Class B shares, the number of outstanding shares is 57,985,082. The average number of outstanding shares was 57,985,082 during the year. The average number of shares in the company's custody was 509,132 during the year. Each Class A share entitles ten votes and each Class B share entitles one vote. The number of votes, following deductions for the company's own holding, was 189,692,614 on the closing day.

On 1 October 2020, convertibles at a nominal value of SEK 69,998,232 were issued to employees within the XANO Group. The convertibles accrue interest corresponding to STIBOR 3M plus 1.75 percentage points and fall due for payment on 30 September 2023. The conversion rate was originally SEK 122.00. Due to the share split in June 2022, the conversion rate has been recalculated in accordance with section 8B of the terms and conditions. The recalculated conversion rate is SEK 61. During the period 1 September to 12 September 2023, each convertible may be converted to one Class B share in XANO Industri AB. The nominal value corresponds to 1,147,512 Class B shares. If all convertibles are converted to shares, the dilution will be approx. 1.9 per cent of the share capital and 0.6 per cent of the number of votes based on the total number of shares on the closing day.

## ■ NOTE 7 CURRENT RECEIVABLES

Current receivables include interest derivatives measured at fair value of SEK 17 million (–) for the full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

Current receivables include currency derivatives measured at fair value of SEK 4 million (–) for the full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on several factors, including observable data such as fixing rates and swap rates for the currency in question.

## ■ NOTE 8 CURRENT LIABILITIES

Current liabilities include interest derivatives measured at fair value of SEK – million (6) for the full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

## ■ NOTE 9 BUSINESS COMBINATIONS

No business combinations have been performed in 2022.

PiWi Beheer B.V. with subsidiary Case Packing Systems B.V. (CPS) and AV Holding 2018 ApS with subsidiary CIM Industrial Systems A/S are included in the consolidated results from 31 May 2021. Tussenholding Lankamp B.V. with subsidiary PRM Kunststoffen B.V. are included in the consolidated results from 1 November 2021. If the acquired units had been included in the Group throughout the whole of 2021, revenue would have amounted to SEK 3,407 million, while net profit would have been approx. SEK 369 million for the 2021 full year.

SHARE DATA, GROUP	2022	2021	2022	2021
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Average number of outstanding shares, thousands	57,985	57,985	57,985	57,985
Average number of outstanding shares after dilution, thousands	59,133	59,133	59,133	59,133
Basic earnings per share, SEK	0.40	1.51	4.30	5.90
Diluted earnings per share, SEK	0.40	1.49	4.27	5.84
Cash flow from operating activities per share, SEK	1.63	1.75	2.21	6.09
Total number of shares on closing day, thousands			58,494	58,494
Number of shares in own custody on closing day, thousands			509	509
Number of outstanding shares on closing day, thousands			57,985	57,985
Equity per share on closing day, SEK			26.39	23.13
Share price on closing day, SEK			111.00	162.50

All comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

KEY FIGURES, GROUP	2022	2021	2022	2021
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Operating margin, %	4.2	12.9	9.7	14.4
Profit margin, %	2.4	12.1	8.8	13.8
Interest-bearing liabilities, SEK million			1,110	1,116
Deferred tax liabilities, SEK million			111	102
Lines of credit granted but not utilised, SEK million			1,185	394
Return on equity p.a., %			17.1	28.8
Return on capital employed p.a., %			14.3	21.8
Return on total capital p.a., %			10.3	15.6
Average equity, SEK million			1,456	1,188
Average capital employed, SEK million			2,599	2,139
Average total capital, SEK million			3,613	2,980
Interest coverage ratio, multiple			6.0	14.6
Equity/assets ratio, %			42	38
Proportion of risk-bearing capital, %			46	41
Depreciation, SEK million	33	29	126	104
Net investments in non-current assets, SEK million	47	119	144	598
Employees, average number	1,429	1,335	1,426	1,245

QUARTERLY SUMMARY, GROUP	2022	2021	2022	2021	2022	2021	2022	2021
	Q4	Q4	Q3	Q3	Q2	Q2	Q1	Q1
Net revenue, SEK m	806	883	776	746	942	824	985	698
Gross profit, SEK m	139	210	156	181	204	209	246	176
Operating profit, SEK m	34	114	63	113	98	123	146	103
Profit before tax, SEK m	19	107	57	105	95	117	138	104
Net profit for the period, SEK m	23	88	44	82	74	91	108	81
Comprehensive income for the period, SEK m	28	95	53	88	91	85	118	94
Operating margin, %	4.2	12.9	8.1	15.2	10.5	14.9	14.8	14.8
Profit margin, %	2.4	12.1	7.2	14.2	10.1	14.1	14.0	14.9
Equity/assets ratio, %	42	38	41	38	40	38	40	44
Basic earnings per share, SEK <sup>1)</sup>	0.40	1.51	0.76	1.42	1.28	1.57	1.86	1.40
Cash flow from operating activities per share, SEK <sup>1)</sup>	1.63	1.75	-0.34	2.51	0.98	3.18	-0.06	-1.35

<sup>1)</sup> The comparison figures have been recalculated due to the 2:1 share split carried out in June 2022.

For definitions, see page 14.

## DEFINITIONS

### AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the period based on working hours. Employees who are covered by short-term work/ temporary layoffs are only included to the extent that relates to actually worked time.

### BASIC EARNINGS PER SHARE

Net profit in relation to the average number of outstanding shares.

### CAPITAL EMPLOYED

Balance sheet total less non-interest-bearing liabilities.

### CASH FLOW FROM OPERATING ACTIVITIES PER SHARE

Cash flow from operating activities in relation to the average number of outstanding shares.

### DILUTED EARNINGS PER SHARE

Net profit plus costs relating to convertible loan in relation to the average number of outstanding shares plus the average number of shares added at conversion of outstanding convertibles.

### EQUITY PER SHARE

Equity in relation to the number of outstanding shares on the closing day.

### EQUITY/ASSETS RATIO

Equity in relation to total capital.

### INTEREST COVERAGE RATIO

Profit before tax plus financial expenses in relation to financial expenses.

### NET INVESTMENTS

Closing balance less opening balance plus amortisation/ depreciation, impairment costs and translation differences relating to non-current assets.

### OPERATING MARGIN

Operating profit in relation to net revenue.

### ORGANIC GROWTH

Growth in net revenue generated by the Group's own efforts and in existing structure. The amount has not been adjusted for exchange rate fluctuations.

### PROFIT MARGIN

Profit before tax in relation to net revenue.

### PROPORTION OF RISK-BEARING CAPITAL

Equity plus deferred tax liabilities in relation to total capital.

### RETURN ON CAPITAL EMPLOYED

Profit before tax plus financial expenses in relation to average capital employed.

### RETURN ON EQUITY

Net profit in relation to average equity.

### RETURN ON TOTAL CAPITAL

Profit before tax plus financial expenses in relation to average total capital.

### REVENUE GROWTH

Net revenue for the period in relation to net revenue for a comparative period.

### TOTAL CAPITAL

Total equity and liabilities (balance sheet total).

## KEY FIGURES

Key figures included in this report derive primarily from the disclosure requirements according to IFRS. Other performance indicators, known as alternative key figures, describe e.g. the profit trend, financial strength and how the Group has invested its capital.

Presented key figures take the nature of the business into account, and are deemed to provide relevant information to shareholders and other stakeholders for assessing the Group's potential to carry out strategic investments, fulfil financial commitments and provide yield for shareholders at the same time as achieving comparability with other companies. The margin measures are also presented internally for each segment.

For reconciliation of key figures, see page 86 in the 2021 annual report.

INCOME STATEMENT, PARENT COMPANY		2022	2021
(SUMMARY, SEK million)		12 mths Jan-Dec	12 mths Jan-Dec
	Note		
Net revenue	1	29.4	45.8
Selling and administrative expenses		-37.5	-37.0
<b>Operating profit/loss</b>		<b>-8.1</b>	<b>8.8</b>
Profit from participations in Group companies		121.8	222.4
Other financial items		30.4	-2.6
<b>Profit/loss after financial items</b>		<b>144.1</b>	<b>228.6</b>
Appropriations		10.0	0.0
Tax	2	-28.0	-46.9
<b>Net profit for the period</b>		<b>126.1</b>	<b>181.7</b>
<i>Statement of comprehensive income</i>			
Net profit for the period		126.1	181.7
Other comprehensive income		-	-
<b>Comprehensive income for the period</b>		<b>126.1</b>	<b>181.7</b>

BALANCE SHEET, PARENT COMPANY		2022	2021
(SUMMARY, SEK million)		31 Dec	31 Dec
<b>ASSETS</b>			
Non-current assets		221.5	223.1
Current assets		1,024.3	1,099.9
<b>EQUITY AND LIABILITIES</b>			
Equity		499.9	475.2
Untaxed reserves		88.0	98.0
Non-current liabilities		250.0	185.9
Current liabilities		407.9	563.9
<b>BALANCE SHEET TOTAL</b>		<b>1,245.8</b>	<b>1,323.0</b>

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2022	2021
(SUMMARY, SEK million)		31 Dec	31 Dec
Opening balance		475.2	366.0
Comprehensive income for the period		126.1	181.7
Cash dividends paid		-101.4	-72.5
<b>Closing balance</b>		<b>499.9</b>	<b>475.2</b>

CASH FLOW STATEMENT, PARENT COMPANY		2022	2021
(SUMMARY, SEK million)		12 mths Jan-Dec	12 mths Jan-Dec
Operating profit/loss		-8.1	8.8
Interest and income tax paid/received and adjustments for non-cash items		75.5	204.7
Change in working capital		-237.4	-235.2
<b>Cash flow from operating activities</b>		<b>-170.0</b>	<b>-21.7</b>
Investments		-	-0.0
<b>Cash flow after investments</b>		<b>-170.0</b>	<b>-21.7</b>
Financing		28.5	-72.5
<b>Cash flow for the year</b>		<b>-141.5</b>	<b>-94.2</b>
Cash and cash equivalents at the start of the year		155.0	249.1
Exchange rate differences in cash and cash equivalents		8.2	0.1
<b>Cash and cash equivalents at the end of the year</b>		<b>21.7</b>	<b>155.0</b>

■ **NOTE 1**

Net revenue refers to revenue from contracts with customers. 100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

■ **NOTE 2**

Income tax amounts to 18 per cent (21). Non-taxable items, primarily attributable to interest derivatives, are contributing to the deviating tax rate.

*The Parent Company, XANO Industri AB (publ) with corporate identity number 556076-2055,  
is a public limited liability company with its registered office in Jönköping, Sweden.*



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